

# Y 2025 Earnings Call

## Company Participants

- Carlos Garcia Moreno Elizondo, Chief Financial Officer
- Daniel Hajj Aboumrad, Chief Executive Officer
- Daniela Lecuona, Head of Investor Relations

## Other Participants

- Alejandro Azar, Analyst, GBM
- Cesar Medina, Analyst, Morgan Stanley
- Emilio Fuentes, Analyst, GBM
- Gustavo Farias, Analyst, UBS
- Marcelo Santos, Analyst, JP Morgan
- Rogerio Araujo, Analyst, Bank of America

## Presentation

### Operator

Good morning. My name is Hillary, and I will be your conference operator today. At this time, I would like to welcome everyone to the America Movil Fourth Quarter 2025 Conference Call and Webcast.

All lines have been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question-and-answer session. (Operator Instructions) Thank you.

I will now turn the call over to Ms. Daniela Lecuona, Head of Investor Relations. Please go ahead.

### Daniela Lecuona [{BIO 15302125 <GO>}](#)

Thank you so much. Good morning, everyone. Thank you for joining us today to discuss our fourth quarter results. We have today on the line, Mr. Daniel Hajj, CEO; Mr. Oscar von Hauske, COO; and Mr. Carlos Garcia Moreno, CFO. Thank you for joining.

### Daniel Hajj Aboumrad [{BIO 1898715 <GO>}](#)

Thank you, Daniela. Welcome everybody to America Movil fourth Quarter 2025 report. Carlos is going to make us a summary of the results. Carlos?

### Carlos Garcia Moreno Elizondo [{BIO 1713687 <GO>}](#)

Thank you, Daniel. Good morning, everyone.

Well, the US government shutdown, in effect through the middle of the fourth quarter ended up raising uncertainty about the state of economic activity in the US. Not only did it have a direct impact on employment, but on account of the shutdown, several economic indicators generated by the government agencies failed to be released at all.

On December 10, less than a month after the shutdown ended and with still incomplete economic data, the Fed reduced the policy rate by 25 basis points in the absence of strong inflation pressures and the appearance of a softening economy. The dollar depreciated versus practically all the currencies in our region of operations in the quarter except for the Brazilian real,

the Argentina peso and it declined 2.3% versus the Mexican peso, 3.7% versus the Colombian peso and 5.7% versus the Chilean peso, remaining practically flat versus the euro in the quarter.

We added 2.5 million wireless subscribers in the quarter, 2.8 million postpaid net gains, and 298,000 prepaid losses, and ended up December with 331 million wireless subscribers. Our postpaid base was up 8.4% year-on-year. Brazil led the way in terms of postpaid net adds with 644,000 subscribers, followed by Colombia with 276,000, Peru with 148,000, and Mexico with 135,000 postpaid subscribers.

Now in the prepaid segment, Mexico contributed 197,000 new subscribers. Argentina 226,000, and Colombia 224,000, whereas in Brazil and Chile, we had prepaid losses of 381,000 and 315,000 subscribers, respectively.

In the fixed-line segment, we connected 524,000 broadband accesses. 184,000 in Mexico, 113,000 in Brazil, 57,000 in Argentina and 49,000 in Colombia. PayTV posted a good performance, adding 77,000 units. We disconnected 79,000 voice lines, landlines. Our access lines exceeded 410 million at the end of December, 331 million were wireless subscribers, 79 million were fixed line RGUs. The growth of our mobile postpaid base and our broadband accesses, which you can see in the chart, our more dynamic business lines has been accelerated over the last quarters, with that of postpaid reaching an 8.4% year-on-year increase and broadband accesses expanding 5.6%. So these are some of our highest access growth rates in years.

Fourth quarter revenue rose 3.4% in Mexican peso terms from a year-ago to MXN245 billion. They were up 6.2% at constant exchange rates, with service revenue expanding 5.3%. The difference between the rate of growth in nominal terms versus that at constant exchange rates mainly reflects the 9.6% appreciation relative to the year-earlier quarter or the Mexican peso versus the US dollar. The apparent deceleration of service revenue growth, which extends to most revenue categories, extends from the incorporation of our Chilean operation from November 2024.

EBITDA was up 4.2% in Mexican peso terms to MXN95 billion, and it was up 6.9% at constant exchange rates in the year-earlier quarter. As was the case over several quarters in 2022, [ph] 2024, EBITDA expanded more rapidly than revenue and greater operating leverage. Mobile service revenue growth remained strong at 6.2%, supported by postpaid revenue that was up 7.6%. Prepaid revenue growth maintained the pace seen the prior quarter, which was the fastest in at least five quarters, and with the exceptional development here in Mexico. As you can see in the next chart, with Mexico accelerating from 2.38% to 3.8% on the back of a strong recovery of private consumption in the country.

Fixed-line service revenue was up 3.6% year-over-year, with fixed broadband revenue increasing 6.4%, the non-Chilean operations were growing faster over the last couple of quarters, which you can see in the dotted main [ph] line. Mexico performed well with broadband revenue growth rising from 2% to 4%.

Our operating profit totaled MXN49 billion, it was up 5.9% in nominal terms and 8.3% -- 8.3% at constant exchange rates, while our comprehensive financing cost was roughly half those of the year-earlier quarter. This resulted in a net profit of MXN19 billion in the quarter, which was 4 times larger than that of a year before. It was equivalent to MXN0.32 per share or \$0.35 per ADR.

Our operating cash flow for the year 2025 came in at MXN213 billion. After deducting from our EBITDA after leases, MXN16 billion increase in working capital and MXN82 billion in interest payments and taxes. After CapEx in the amount of MXN131 billion, we were left with a free cash

flow of MXN82 billion. The latter figure represents a nearly 40% year-on-year increase in our free cash flow.

Shareholder distributions reached MXN45 billion, including MXN12 billion in share buybacks, even as we reduced our net debt in cash flow terms by MXN20 billion. At the end of the year, our net debt to EBITDA after leases ratio stood at 1.52 times and was on annual [ph] equivalent.

So with this, I will pass the floor back to Daniel Hajj, and we will begin the Q&A session. Thank you.

### **Daniel Hajj Aboumrad {BIO 1898715 <GO>}**

Thank you, Carlos. We can start with the Q&A session.

## **Questions And Answers**

### **Operator**

Thank you so much. We'll now begin the question-and-answer session (Operator Instructions). Your first question comes from Marcelo Santos at JP Morgan. Marcelo, please go ahead.

### **Q - Marcelo Santos {BIO 17186991 <GO>}**

Hi Carlos, Hi Daniela. Thanks for taking my question. I wanted to enquire about the CapEx outlook for 2026 and coming years. Could you please provide us with an updated view? Thank you.

### **A - Daniel Hajj Aboumrad {BIO 1898715 <GO>}**

Hi, Marcelo. What we have been doing is that, what we think, we are not -- still we're not finalizing the CapEx for this year. But our target is to be around 14% to 15% revenues. That is what we have been saying and it's what we're going to do. That's maybe around \$6.8 billion to \$7 billion. That's what I mean, and that's what we're targeting to do. So we are going to be in those range. We still does not finalize all the countries, but we're looking to have around that number.

### **Q - Marcelo Santos {BIO 17186991 <GO>}**

Okay. Thank you. As a follow-up, going forward, is it reasonable to assume a similar percentage of revenues for the coming years? I know you have not finalized, but just conceptually, does it make sense?

### **A - Daniel Hajj Aboumrad {BIO 1898715 <GO>}**

Yes, yes. Yes. Is what we think. The next three years, let's say, two, three years, yes, we can assume that we can have between 14% to 15%, \$7 billion, \$6.8 billion, \$7.1 billion depending on Spectrum, depending on a lot of things that coming, but that's more or less what we're thinking.

### **Q - Marcelo Santos {BIO 17186991 <GO>}**

Okay. Very clear. Thank you very much.

### **A - Daniel Hajj Aboumrad {BIO 1898715 <GO>}**

Thank you.

### **Operator**

Thank you for your question. Your next question comes from Rogerio Araujo. Please go ahead. Your line is now open.

**Q - Rogerio Araujo {BIO 22909572 <GO>}**

Hi, everyone. Thanks for the opportunity. I have one on, there is a line called pretax, non-operating expenses, it came at MXN7.9 billion this quarter. This is well above the quarterly average of MXN700 million in the past couple of years. So could you please remind what anchors exactly in this line? What did impact it this quarter? And also what to expect going forward? Thank you so much.

**A - Daniel Hajj Aboumrad {BIO 1898715 <GO>}**

Which line -- which line you said?

**Q - Rogerio Araujo {BIO 22909572 <GO>}**

It's -- we see financial results, it's called other pretax non-operating expenses. Other financial expenses.

**A - Daniel Hajj Aboumrad {BIO 1898715 <GO>}**

We don't have it right now, but you can talk to Daniela. We can give you the detail on what was the difference between the MXN4.9 billion to MXN7.8 billion this year -- this quarter.

**Q - Rogerio Araujo {BIO 22909572 <GO>}**

Okay. No worries. I will, thank you. Can I follow up with another question as...

**A - Daniel Hajj Aboumrad {BIO 1898715 <GO>}**

Yes, yes, please.

**Q - Rogerio Araujo {BIO 22909572 <GO>}**

As there was no answer on this one. Yes? Okay. Thank you so much for this. Could you comment on Telefonica's announced sale of its operations in Chile? Why America Movil ENTEL ended up stepping out of the deal? And any early expectation of the expected competitive environment in the country with Millicom and French buying these assets? If you could also comment on potential consolidation movements across Latin America as well, if there is anything active if -- and expectations for consolidation in the near future? Anything you can share would be great. Thank you so much.

**A - Daniel Hajj Aboumrad {BIO 1898715 <GO>}**

Well, you know that we were going together with ENTEL to do a bid for Telefonica. We reviewed, we -- and we decide not -- in America Movil, we decide no got finalize and don't go together with ENTEL. So that I think, then I don't know if ENTEL decide to go alone or not and then it was one. The other one that I heard that it was interested and then Millicom. Finally, Millicom is the one who win. I think we still have a lot of things to do in our company, inside Chile. We are doing okay. We're gaining revenues, we're gaining market share. We are doing all the investments that we need, all the synergies that we need. So we still think that we're going to be a very strong and good competitor in Chile.

For us, it doesn't change a lot because we're changing as a competitor landscape, it will be very good to consolidate the market, but at the end of the day, Millicom is a new entrant. So it doesn't change anything having Telefonica and to change to Millicom. Let's see, I hope that in the future, we can consolidate the market in Chile, not only in the wireless, also in the fixed. And let's see, Chile, it will be important to be consolidated. For us, while we were out, it was going to be a little bit complex because regulation, the split of the company, high leverage of the company, a lot of things that was going to be difficult to decide between ENTEL and then the value of Telefonica. So it was not an easy deal and that's why we decided to quit and to stay where we are, but I think it's that Chile is a difficult market. Of course, it's a difficult market, but we are preparing and we're making all the investments and that we need to do to be competitive there. And as I said, hope that in the future, the market in Chile can consolidate.

**Q - Rogerio Araujo {BIO 22909572 <GO>}**

Fair enough. Thank you so much. Have a great day, everyone.

**A - Daniel Hajj Aboumrad {BIO 1898715 <GO>}**

Thank you. Thank you.

**Operator**

Thank you for your question. Your next question comes from Gustavo Farias from UBS. Please go ahead. Your line is now open.

**Q - Gustavo Farias {BIO 24177448 <GO>}**

Hi everyone. Thanks for taking the question. I'd like to hear some thoughts on capital allocation. So given the strong growth in free cash flow and we also saw a slowdown in share buybacks lately. So how are you thinking about capital allocation going forward? Thank you.

**A - Daniel Hajj Aboumrad {BIO 1898715 <GO>}**

Yeah. Well, I think that as Carlos said, Carlos said two things. We do very good growth in -- in the free cash flow, we grow around 40% in the free cash flow. But he also said that we -- the target that we have and always we're saying that the target on debt-to-EBITDA will be around 1.3 times to 1.5 times debt-to-EBITDA. So we are a little bit above. Well, when you said we are reducing, I don't know if you are saying we are reducing in 2026 or will reduce from 2025, but it's important. We have a target on leverage and we want to be on our target. So that's one thing. So the excess and the cash flow that we have, we're going to put it on reducing debt.

Second, we have some M&A, as we said, we used to have Telefonica in Chile. We are not there, but we still have Desktop in Brazil. And we want to be financially healthy because we are not looking on M&A in other regions or material ones. No, we're not doing and looking on anything on that. But in our region where we operate, I think there's going to be consolidation in the market and we want to be prepared to consolidate, let's say, small companies or fiber, small fiber companies or there will be a lot of things. The competitive landscape in Latin America is changing. We're having new competitors. Small ones are getting out, I hope new ones coming. So there's going to be a lot of things through the next year or two years, and we want to be prepared, we want to be healthy. And we want to be on target, okay, because as we said, the target is 1.3 times to 1.5 times. We are a little bit slightly above on that.

So what we want is to be on target and use the cash flow for that. And also to return for the shareholders and will be on the buybacks and dividends. So that's mainly what we are going to do

on the free cash flow that we have, nothing else. And as I said, we don't have or we are not looking on going other countries or outside of our region to do material things, no, because I read something this morning. So we are not thinking on doing nothing on that. Only to be prepared to have opportunities, I think we're going to have some opportunities in the region that we have. That's -- that we have. So reducing debt and there are opportunities.

**A - Carlos Garcia Moreno Elizondo {BIO 1713687 <GO>}**

Yeah, on the -- just to follow (multiple speakers) sorry, just to follow up on what Daniel has said, it's important to note that we at the end of the quarter were still at a little bit marginally higher than the 1.5 times net debt to EBITDA ratio, that we have as our upper limit. Even though we paid down debt by MXN20 billion, okay, a bit more than \$1 billion throughout the year. So we did devote some important amount of cash to reduction of debt to remain within the limits that we have told the market, guided the market over the last five years. I mean, these are not new limits.

**Q - Gustavo Farias {BIO 24177448 <GO>}**

Okay. Yeah, very clear. Just a quick follow-up, if I may. So considering what you just said and considering that the consolidation in Chile is now out of the table. Is it fair to assume that any, let's say, cash flow that would be directed to M&A in Chile, is now redirected towards deleveraging?

**A - Daniel Hajj Aboumrad {BIO 1898715 <GO>}**

For what? Well, as we said this -- as we said, yes, for -- if we don't have anything else in M&A, of course, we're going to go through leverage and if we have an opportunity, then we're going to do something there. So that's -- we don't have something. We are looking for a lot of things, small things in Latin America where we are and if not, then we're going to do leverage and be in the lower range of our target to be prepared for opportunities. That's what we have now.

**Q - Gustavo Farias {BIO 24177448 <GO>}**

All right. Very clear. Thank you.

**Operator**

Thank you for your question (Operator Instructions) Our next question comes from Cesar Medina at Morgan Stanley. Cesar, your line is now open.

**Q - Cesar Medina {BIO 16600229 <GO>}**

Hi, thanks for taking my question. How should we think of the impact of FX on your overall results? And I'm asking because the Mexican peso strength is very visible and you're exposed to different currencies and your CapEx and debt also has sort of high currency exposures. In net, how should we think of the impact on the cash flow?

**A - Carlos Garcia Moreno Elizondo {BIO 1713687 <GO>}**

Cesar, I mean, I think as you say, this is a company that has many operating exchange rates in our revenue, and then we also have very different exchange rates on our debt. So what we were talking about a little while ago in terms of the leverage ratio, that's something that tends to move both because the EBITDA flows move in terms of, say, if you measure them in dollars or pesos, whatever. And -- but also the net debt itself also moves a lot in terms of dollars or pesos precisely because we have all of these currencies.

So yes, it becomes a bit complex to manage these decisions. Now, and that's why we always highlight here in the report how we are doing at constant exchange rates, because we need to take out all of the noise that is created by the exchange rates. But yeah, I think net-net, I think that we have a clear idea of how we manage the company. I think in terms of financial exposure, we manage our exposure to currencies. So we really have exposure only to three currencies for the most part, three, four currencies. And in terms of the operating cash flows, well, that obviously has to do with -- there's nothing we do in that respect. There's nothing that we do in terms of hedging cash flows. That's something that just comes up as it is.

And just say -- I'm sorry, and this is for us, it's always a -- I'm going back to what we were saying the prior question, we need to balance the -- on one hand, the desire to do distributions, share buybacks and also the need to adjust our leverage ratio by paying down some debt. And again, this is something that we cannot predict exactly from the beginning, because it has to do a lot with where the exchange rates are. And you can see them have noise at some point, but also the reality, they are there and we are going to be measuring our net debt to EBITDA, which we measure with the rating agency that we measure with you every time that we publicly report, well, we need to be consistent with what we are doing.

Balancing share buybacks, balancing CapEx, balancing the net leverage we have. That's--

**A - Daniel Hajj Aboumrad {BIO 1898715 <GO>}**

That's exactly what Carlos is saying is a balance -- a balance between the capital allocation. It will be reducing our leverage, returning to the shareholders via buybacks or dividends and be healthy to be prepared if there is something in our regions that will come as an opportunity. So these three things we're going to balance through all this year to be okay. So that's mainly what we're talking on the capital allocation.

**Q - Cesar Medina {BIO 16600229 <GO>}**

Thank you.

**Operator**

Thank you for your question. Your next question comes from Alejandro Azar from GBM. Your line is now open.

**Q - Alejandro Azar {BIO 19156054 <GO>}**

Hi, good morning, everyone, and thank you for taking my question. This is just on the consolidation that we are seeing all over all over Latin America, Colombia, Chile, Brazil. There's even rumors on fixed players in Mexico being interested in AT&T. So my question is, how do you see the regulatory environment for AMX as it seems that we are moving to a tighter market with two, three players. Do you think we should see in five years, 10 years a less regulatory or less asymmetric regulation where AMX currently has one? Thank you.

**A - Daniel Hajj Aboumrad {BIO 1898715 <GO>}**

Well, the only place where we have asymmetric regulation is in Mexico. All the other places, we don't have any -- let's say, asymmetric regulation in all the other 20 countries that we operate. We don't have any asymmetric regulation. It's only in Mexico. What your question is, how I see in three, four years is exactly what we're saying. I see more consolidation in all these markets and I think it's going to be good for the business to consolidate more or less. I think like not only in

mobile, but in fixed, maybe five years or six years ago, there's a lot of companies putting fiber at -- giving -- bearing a lot of countries fiber plus very aggressive promotions.

I'm not seeing any more these companies putting fiber. There are still companies that they are doing, more competitors, but no new ones doing that. So they are seeing that the business is not as easy as it looks. And so we don't -- we are not seeing new competitors, let's say, in terms of fiber. Then the other ones, maybe they are going to consolidate between them or they are going to consolidate with other ones. So there's going to be a new landscape, you know, Latin America and I think that's going to be good for us and for all the people who are staying here now, that were staying in Latin America. In Mexico, what you say rumors about AT&T. Well, they are rumors. The only thing that I can say is that AT&T is a very strong competitor. And if they sell to other ones, there are going to be also strong competitors.

So nothing to say. So what we need is to do our job to have the best 5G network, the best quality, customer care, everything, systems, IT, AI and to do everything that we are doing, all the investments that we need to do to compete against or it's still AT&T here or if they sell to the other ones. So that's what, so exactly what I said in Chile. In Chile, we used to have Telefonica as a competitor, today it's not going to be Telefonica, it's a pity that we cannot consolidate this market, because this market will be good to consolidate, but it's going to stay more or less the same with four competitors in mobile and the same in fixed. So let's see and see if in the future, we can consolidate that market. So that's what, yes.

### **A - Carlos Garcia Moreno Elizondo {BIO 1713687 <GO>}**

But as I was saying, I mean, I do believe that you can see that there is very much of a wave of consolidation happening in the world. You look at Europe, there used to be many more players in each one of the countries, there's been a reduction and this basically has to do with the dynamics of the industry. This industry requires scale to get the returns for the investment and when you have a very fragmented market, there is no returns and no investment. And typically the players end up probably not in the best of shapes. So I think that this is an issue that is more and more taken into account by regulators and generally governments worldwide.

### **Q - Alejandro Azar {BIO 19156054 <GO>}**

Okay. Thank you. Thank you. Thank you both for the answers.

### **A - Daniel Hajj Aboumrad {BIO 1898715 <GO>}**

Thank you. Thank you, Alejandro

## **Operator**

Thank you for your question. Your next question comes from Marcelo Santos at JP Morgan. Your line is now open.

### **Q - Marcelo Santos {BIO 17186991 <GO>}**

Hi, thank you very much for the follow up here. I just wanted to use this opportunity to ask about the Brazilian number portability. You mentioned in your release like that Brazil is seeing sustained customer preference as evidenced by positive number portability trends, which indeed has been very strong and stronger than usual. My question is, is this portability that has been stronger mostly explained by NuCel, which you have the MVNO or is it mostly explained by your like Claro operation in Brazil? Just wanted to see what's driving this strong portability, which we also see using the data? Thank you.

**A - Daniel Hajj Aboumrad {BIO 1898715 <GO>}**

Yeah. I think they are both, okay. There's no doubt that NuCel is helping us in number portability and we're doing very good with them. But in the other side, we are doing strong and we have been growing more on revenues than our competitors in Brazil. And I think that's -- that's good, number portability plus new subscribers, we are doing okay. And the other thing that I'm seeing is that we are getting also very good ARPU subscribers. So we are not only in the prepaid or in the low end. We are getting also good high end subscribers. So it's been good. That's what I can say. There is no doubt that NuCel is helping us, but it's not only NuCel, there's all the things that we had on the back of that that is doing, that we have been doing that. We have been always gaining number portability through the year and in the fourth quarter, we get it strong because NuCel, it's been good and we are a little bit more good, a little bit more better than what we used to be. This is what I can tell.

**Q - Marcelo Santos {BIO 17186991 <GO>}**

So just to clarify, the jump we saw in the fourth quarter, that could be attributed to NuCel. You were having very good portability across the year. That's Claro, but the change we saw in more recent months, that would be NuCel.

**A - Daniel Hajj Aboumrad {BIO 1898715 <GO>}**

Parts, not all, but parts could be, yes, parts could be NuCel, but not all could -- is NuCel. Also it's fourth quarter, fourth quarter, a lot of people is changing. There's new handsets that people want to change for handsets, so they want to do promotions. So there's a lot of things.

**Q - Marcelo Santos {BIO 17186991 <GO>}**

Okay, clear. Thank you very much.

**A - Daniel Hajj Aboumrad {BIO 1898715 <GO>}**

Thank you.

**Operator**

Thank you for your question. Your next question comes from Emilio Fuentes at GBM. Your line is now open.

**Q - Emilio Fuentes**

Hi, thank you for taking my question. I'm wondering, given the stellar net adds you have had in broadband in Mexico the recent quarters, how sustainable do you see this performance going forward specifically as we reach a higher penetration for this service in the market? Thank you.

**A - Carlos Garcia Moreno Elizondo {BIO 1713687 <GO>}**

Yes. We see a good trend on the net adds within the last four quarters in fixed broadband in Mexico. We have very good promotions in the market that the customer has received very well. The bundles with the streaming increasing the speed. So we see the same trend through the year -- through this year, right? So we see the bundle sales working pretty, pretty good with the streaming video platforms and the speed that we've been delivering to the market are really good. We have 92% of the customers already with fiber. So we believe that we will retain the customers. We believe the trend will be more or less the same.

**Q - Emilio Fuentes**

Yeah. Thank you.

**Operator**

There are no further questions at this time. I will now turn the call back to Mr. Daniel Hajj for closing remarks.

**A - Daniel Hajj Aboumrad {BIO 1898715 <GO>}**

Well, to thank everyone for being in the call, and thank you, Carlos, Daniela, Oscar. Thank you very much.

**A - Carlos Garcia Moreno Elizondo {BIO 1713687 <GO>}**

Thank you all.

**A - Daniel Hajj Aboumrad {BIO 1898715 <GO>}**

Bye-bye.

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